JANUARY 20, 1986

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FORTUNE

THE BIGGEST DEALS OF THE YEAR

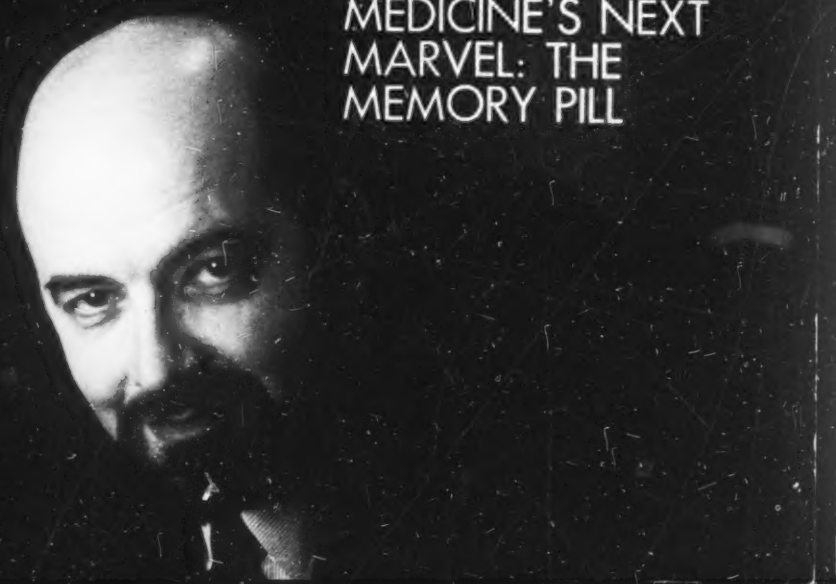
THOSE MIND-BENDING MERGER FEES

Mega-Dealmakers Bruce Wasserstein (top) and Joseph R. Perella

REAGAN '86: WHAT BUSINESS CAN EXPECT

STOCKS: LOOKING BEYOND THE DOUBLED DOW

MEDICINE'S NEXT MARVEL: THE MEMORY PILL



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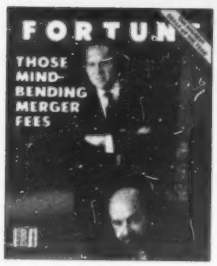
JANUARY 20, 1986 VOL. 113, NO. 2

FORTUNE



For the cover, Antonin Kratochvil photographed the top merger-and-acquistion specialists of First Boston Corp., which handled deals worth $60 billion in 1985. See pages 18 and 26.

MONEY & MARKETS

Merger Fees That Bend the Mind 18
Executives fume over top dealmakers' huge fees—and are afraid not to go right on paying them. *by Peter Petre*

Deals of the Year 26
Record sums changed hands in frenzied 1985. Food companies were prime takeover targets. *by David Kirkpatrick*

Stocks: Looking Beyond the Doubled Dow 32
Obscured in the market's ascent: stocks are still reasonably priced and could go a lot higher. *by Kenneth Labich*

THE ECONOMY

Fortune Forecast:
- **Neither Boom nor Bust in the Months Ahead** 38
- **New, Improved Data** 39

CORPORATE PERFORMANCE

A Phone War That Jolted Motorola 43
The muscleman of mobile communications has surprised nearly everyone by failing to dominate the U.S. cellular phone market. *by Ford S. Worthy*

General Host Prunes Back to Prosper 49

Computervision: A Lagging Leader 49

Companies to Watch 50

MANAGING

And Now, the Home-Brewed Business Forecast 53

SELLING

Maxi Hopes Ride on New Mini Cars 57
Fleets of smaller small autos want to be the next Volkswagen Beetle in the U.S. market. *by Thomas Moore*

IKEA: Shopping Swedish-Style Comes to the U.S. 63

Catalogue Fallout 63

TECHNOLOGY

Medicine's Next Marvel: the Memory Pill 68
Drugs that enhance memory could be a $1-billion-a-year business in five years. *by Gene Bylinsky*

POLITICS & POLICY

Reagan '86: What Business Can Expect 74
The President should get most of what he is after in deficit reduction and tax reform. *by Ann Reilly*

A Loud New Uproar in the Commodity Pits 80

Scoring the Year on Capitol Hill 80

Amazing (Peter) Grace 81

PROFILE

Charles Schwab Is Feeling Fettered 84
He wants his discount brokerage back from BankAmerica. *by Gary Hector*

People to Watch 87

LOOKING AHEAD

Movie Theaters Head Back to the Future 90
With attendance falling, the business may be better off operating as it did in 1948. *by Stratford P. Sherman*

A Hard Landing Awaits Singapore 97
After 20 years of growth, the economy shrank in 1985. *by Lee Smith*

The Editor's Desk 4

News/Trends 8
Betting $52 billion on the farm, Big Steel looks east, and more.

Follow-Up 11

Letters to Fortune 15

Keeping Up 103
by Daniel Seligman

Personal Investing 107
Exploiting the January effect. Merck & Co. "Witching days" without a curse. Portfolio Talk: Money manager Michael Steinhardt.
by John J. Curran

Other Voices 113
How to sell in Japan.
by Thomas Alexander

On Your Own Time 115
Ski touring.
by Marilyn Wellemeyer

Index 120

Books & Ideas 121
The asbestos nightmare.
by Andrew Hacker

DEALS OF THE YEAR

In frenzied 1985, record sums changed hands in the biggest U.S. corporate marriages and securities offerings. Food companies with well-established brand names were among the prime takeover targets. ■ *by David Kirkpatrick*

DEALS WERE DONE at a dizzying pace in 1985, as companies galore swallowed other companies, went private, and took subsidiaries public. The total value of completed deals on FORTUNE's list of the 50 biggest corporate combinations and securities offerings is $94.6 billion, a 20% increase over 1984. In the tally are mergers, acquisitions, and stock buybacks to which a U.S. company was a party, and public offerings in the U.S. As 1986 rolled in, another medley of mammoth deals was waiting to be wrapped up.

Food companies, dominating the 1985 merger menu, were gobbled up in three of the top ten deals. "Companies wanted brands with a good position on the supermarket shelf," says Roger Miller, a managing director in Salomon Brothers' merger and acquisition department. "They concluded it was cheaper to get them by buying another whole company." Several drug and cosmetic companies also got picked off in the brand-name fever.

While no deal matched 1984's Chevron-Gulf merger, valued at a record $13.2 billion, 1985 saw twice as many deals above $2 billion. Other superlatives: the biggest-ever non-oil merger (Philip Morris-General Foods, deal No. 2); a record breaker among leveraged buyouts, which are financed mainly with debt paid off from the acquired company's cash flow or the sale of its assets (Storer Communications, No. 12); and the two largest initial public offerings, Fireman's Fund (No. 41) and Rockefeller Center Properties (No. 47). Both offerings topped the record held by a $658-million sale of Ford Motor stock in 1956. Because seven deals at the bottom of the list were tied at a value of $750 million, including the Rockefeller Center issue, the list includes 53 transactions.

The easy availability of financing meant that almost anything could happen. Tiny Pantry Pride (fiscal 1985 sales: $345 million) took over $2.4-billion-a-year Revlon as the business world gaped (No. 15). But the investment bankers weren't complaining. On the Revlon deal alone they received $24.3 million in fees. For all the deals on FORTUNE's list, investment firms pocketed $588 million, not counting additional millions in commissions for putting together financing to consummate the deals. Morgan Stanley led in dealmakers' fees, garnering at least $82 million from the transactions shown here, followed by First Boston with $72 million. Goldman Sachs was right behind with $71 million.

Erecting creative defenses was a big part of the investment firms' work. Among the deals on the list are four stock buybacks aimed at increasing the value of the companies' remaining shares. Oil companies struggling successfully to fend off T. Boone Pickens Jr., chairman of Mesa Petroleum, executed the two most expensive buybacks (Nos. 6 and 7). Four of the companies that went private—Storer, Levi Strauss (No. 19), Cox Communications (No. 21), and Uniroyal (No. 40)—also did so largely in fear of an unfriendly takeover.

Many companies, in addition to Revlon, wound up in unwanted hands. American Hospital Supply fell to Baxter Travenol (No. 8), American Natural Resources to Coastal (No. 11), and McGraw-Edison to Cooper Industries (No. 27). Sometimes the safest bet was to embrace a white knight, as Richardson-Vicks did when it sold out to Procter & Gamble (No. 25) to escape Unilever.

High on the deals calendar for early 1986 is U.S. Steel's pending acquisition of Texas Oil & Gas for $3.7 billion. Capital Cities Communications is getting ready to acquire American Broadcasting Cos. for $3.6 billion. Expect another year of records. The leveraged buyout of Beatrice Cos. by Kohlberg Kravis Roberts & Co. will be, at $6.2 billion, the largest in history. General Electric will swallow RCA for $6.3 billion, another new high for non-oil mergers. Will Union Carbide fall to little GAF? Only the big investment banker in the sky knows for sure.

ILLUSTRATIONS BY ELIOT BERGMAN

BIGGEST DEALS OF 1985

RANK	VALUE (000) PERCENT OF BOOK VALUE	TRANSACTION	COMPANIES INDUSTRY	FINANCIAL INTERMEDIARIES	FEE (000)	FEE AS PERCENT OF DEAL
1 ROYAL DUTCH/SHELL acquires 30.5% of SHELL OIL[1]	**$5,700,118** 147.7%	Acquisition of 95 million shares for cash, completed June 7	**Royal Dutch/Shell Group**	Morgan Stanley	$5,000	.09%
			Shell Oil	Goldman Sachs	$3,700	.06%
2 PHILIP MORRIS acquires GENERAL FOODS	**$5,627,671** 286.1%	Acquisition for cash, November 1	**Philip Morris Cos.** Cigarettes and beverages	First Boston	$10,100	.18%
			General Foods	Goldman Sachs	$7,100	13%
				Shearson Lehman Bros.	$7,100	13%
3 ALLIED merges with SIGNAL COS.	**$4,944,967**[2] 178.5%	Tender offer for 20% of Signal common shares, followed by merger by exchange of common stock to form Allied-Signal, September 19	**Allied** Multi-industry	First Boston	$10,000	.20%
			Signal Cos. Multi-industry	Lazard Frères	$10,000	.20%
4 R.J. REYNOLDS acquires NABISCO	**$4,889,051** 309%	Acquisition for cash, preferred stock, and notes, September 10	**R.J. Reynolds Industries** Tobacco, food, and consumer products	Dillon Read	$9,000	18%
			Nabisco Brands Food	Morgan Stanley	$5,000	10%
				Shearson Lehman Bros.	$5,000	10%
5 GENERAL MOTORS acquires HUGHES AIRCRAFT from HOWARD HUGHES MEDICAL INSTITUTE	**$4,712,500** 431.2%	Acquisition for cash, General Motors class H common stock and certain future payments, December 20	**General Motors**	Salomon Bros.	$8,000	16%
			Hughes Aircraft Defense electronics	First Boston	$15,000*	32%
			Howard Hughes Medical Institute	Morgan Stanley	$19,000	40%
6 PHILLIPS PETROLEUM repurchases 49.8% of its common stock	**$4,567,913** 138.5%	Tender offer to exchange notes and debentures for 72.58 million shares, March 15	**Phillips Petroleum**	Morgan Stanley	$14,000	.31%
				First Boston	$11,000	.24%
7 UNOCAL repurchases 33.3% of its common stock	**$4,337,947** 223.7%	Tender offer to exchange notes for 57.85 million shares, May 17	**Unocal** Oil and gas	Dillon Read	$12,500*	.29%
				Goldman Sachs	$12,500*	.29%
8 BAXTER TRAVENOL acquires AMERICAN HOSPITAL SUPPLY	**$3,747,181** 235.5%	Acquisition for cash, common stock, and preferred stock, November 25	**Baxter Travenol Laboratories** Health care products	First Boston	$8,000	.21%
			American Hospital Supply Health care products	Goldman Sachs	$7,500	.20%
				Merrill Lynch	$5,000	13%
9 NESTLÉ acquires CARNATION	**$2,940,661** 241.8%	Acquisition for cash, January 30	**Nestlé** Food	First Boston	$4,500	15%
			Carnation Food	Kidder Peabody	$15,100	51%
10 MONSANTO acquires G.D. SEARLE	**$2,744,950** 522.5%	Acquisition for cash, October 1	**Monsanto** Chemicals and related products	Goldman Sachs	$8,000	.29%
			G.D. Searle Drugs and consumer products	Morgan Stanley	$6,300	23%
				William Blair	$1,800	07%
11 COASTAL acquires AMERICAN NATURAL RESOURCES[3]	**$2,461,961** 215.1%	Acquisition for cash, May 15	**Coastal** Energy	Drexel Burnham Lambert	$500	.02%
			American Natural Resources Natural gas transmission	Goldman Sachs	$8,000	.32%
				First Boston	$3,000	12%
12 SCI HOLDINGS[4] **acquires STORER COMMUNICATIONS**	**$2,358,528** 625.4%	Leveraged buyout for cash and warrants to purchase SCI Holdings' common stock, December 5	**SCI Holdings**	Kohlberg Kravis Roberts	$23,000	.98%
				Kidder Peabody	N.A.	--
			Storer Communications Broadcast and cable television	Dillon Read	$8,918	.38%
13 INTERNORTH acquires HOUSTON NATURAL GAS	**$2,287,334** 224.2%	Acquisition for cash, July 16	**InterNorth** Natural gas transmission	Goldman Sachs	$4,500	20%
			Houston Natural Gas	Lazard Frères	$7,000	31%
14 OLYMPIA & YORK acquires 60.2% of GULF CANADA from CHEVRON	**$2,140,000** 142.2%	Acquisition of 49.9% on August 2 and 10.3% on December 2, for cash	**Olympia & York Developments** Real estate and investments	Merrill Lynch	$1,100	05%
				McLeod Young Weir	$1,100	05%
			Chevron Oil and gas	Salomon Bros.	$8,750	41%
				Wood Gundy	N.A.	--
15 PANTRY PRIDE acquires REVLON	**$1,768,199** 300.2%	Acquisition for cash, December 26	**Pantry Pride** Supermarkets and drugstores	Drexel Burnham Lambert	$5,500	31%
				Morgan Stanley	$6,000	34%
			Revlon Pharmaceuticals and cosmetics	Lazard Frères	$12,750	72%
16 Group led by KOHLBERG KRAVIS ROBERTS acquires 50.3% of UNION TEXAS PETROLEUM from ALLIED	**$1,714,000** 180.4%	Leveraged buyout for cash and Union Texas preferred stock, July 2	**Kohlberg Kravis Roberts**	Kohlberg Kravis Roberts	$14,000	82%
			Allied Multi-industry	First Boston	$2,000	12%

Mergers and acquisitions

Debt and equity offerings

*Estimate
N.A. Not available
[1]Royal Dutch/Shell Group previously owned 68.8%
[2]Valued as if Allied were the buyer
[3]Coastal previously owned 4.2%
[4]Group led by Kohlberg Kravis Roberts

BIGGEST DEALS OF 1985

RANK	VALUE (000) PERCENT OF BOOK VALUE	TRANSACTION	COMPANIES INDUSTRY	FINANCIAL INTERMEDIARIES	FEE (000)	FEE AS PERCENT OF DEAL
17 ROCKWELL INTERNATIONAL acquires ALLEN-BRADLEY	**$1,651,000** N.A.	Acquisition for cash, completed February 20	**Rockwell International** Aerospace, electronics	E.F. Hutton	N.A.	—
			Allen-Bradley Industrial automation and electronics	Morgan Stanley	N.A.	—
18 FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,500,000**	Offering of 9.85% debentures, due 1990, July 3	**Federal National Mortgage Association** Mortgage holder	Various dealers	$2,921	.19%
19 HHF CORP.[5] acquires 80.3% of LEVI STRAUSS	**$1,489,151** 226.9%	Leveraged buyout for cash, August 30	**HHF Corp.**	Hellman & Friedman	$7,000	.47%
			Levi Strauss Apparel	Goldman Sachs Montgomery Securities	$1,500 $500	.10% .03%
20 TEXTRON acquires AVCO	**$1,400,000** 117.9%	Acquisition for cash, February 28	**Textron** Multi-industry	Morgan Stanley Salomon Bros.	$3,750 $2,500	.27% .18%
			Avco Multi-industry	Kidder Peabody	$7,100	.51%
21 COX ENTERPRISES acquires 63% of COX COMMUNICATIONS[6]	**$1,343,547** 342.5%	Acquisition for cash, September 1	**Cox Enterprises** Newspapers	First Boston	$1,500	.11%
			Cox Communications Broadcast and cable television, radio	None	—	—
22 LITTON INDUSTRIES repurchases 35.8% of its common stock	**$1,339,185** 172%	Tender offer to exchange notes and debentures for 11.4 million shares, June 11[7]	**Litton Industries** Electronics	Morgan Stanley	$3,500	.26%
23 MIDCON acquires UNITED ENERGY RESOURCES	**$1,256,640** 143.2%	Acquisition for cash and stock, December 12	**MidCon** Natural gas transmission	Merrill Lynch	$5,000	.40%
			United Energy Resources Natural gas transmission	First Boston	$4,562	.36%
24 CHESEBROUGH-POND'S acquires STAUFFER CHEMICAL	**$1,253,399** 131.8%	Acquisition for cash, March 28	**Chesebrough-Pond's** Consumer products	Shearson Lehman Bros.	$4,000	.32%
			Stauffer Chemical	Morgan Stanley	$4,000	.32%
25 PROCTER & GAMBLE acquires RICHARDSON-VICKS	**$1,209,405** 249.8%	Acquisition for cash, November 13	**Procter & Gamble** Consumer products	Goldman Sachs	$6,000	.50%
			Richardson-Vicks Consumer products	Kidder Peabody	$8,300	.69%
26 FARLEY INDUSTRIES acquires NORTHWEST INDUSTRIES	**$1,156,707** 818%	Leveraged buyout for cash and preferred stock, July 31[8]	**Farley Industries** Multi-industry	Drexel Burnham Lambert	$7,000	.61%
			Northwest Industries Multi-industry	Salomon Bros. Goldman Sachs	$3,500 $3,500	.30% .30%
27 COOPER INDUSTRIES acquires MCGRAW-EDISON[9]	**$1,053,590** 183.5%	Acquisition for cash, May 31	**Cooper Industries** Tools, heavy equipment, and electronics	Morgan Stanley	$4,250	.40%
			McGraw-Edison Electrical and industrial products	Goldman Sachs	$3,200	.30%
28 FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,000,000**	Offering of 10.75% debentures, due 1988, January 4	**Federal National Mortgage Association**	Various dealers	$1,463	.15%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,000,000**	Offering of 11.1% debentures, due 1989, January 17	**Federal National Mortgage Association**	Various dealers	$1,750	.18%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,000,000**	Offering of 11.05% debentures, due 1990, January 25	**Federal National Mortgage Association**	Various dealers	$2,000	.20%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,000,000**	Offering of 11.5% debentures, due 1995, January 25	**Federal National Mortgage Association**	Various dealers	$3,000	.30%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,000,000**	Offering of 12% debentures, due 1992, April 3	**Federal National Mortgage Association**	Various dealers	$2,450	.25%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,000,000**	Offering of 10.5% debentures, due 1988, May 1	**Federal National Mortgage Association**	Various dealers	$1,500	.15%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,000,000**	Offering of 11.15% debentures, due 1995, May 17	**Federal National Mortgage Association**	Various dealers	$3,000	.30%

N.A. Not available

[5]Company formed by Hellman & Friedman and Levi officers. HHF investors previously owned 19.7% of Levi shares, which they converted into HHF shares.

[6]Cox Enterprises previously owned 10%. Cox family members converted 27% into shares of Cox Enterprises, which is principally owned by them.

[7]Deal also includes 3.6 million shares bought from Teledyne simultaneously.

[8]Each Northwest shareholder also received one share of Lone Star Steel Co., which was spun off as part of the deal. Northwest's book value was calculated assuming distribution of Lone Star.

[9]Cooper previously owned 2.2%.

Mergers and acquisitions

Debt and equity offerings

RANK	VALUE (000) PERCENT OF BOOK VALUE	TRANSACTION	COMPANIES INDUSTRY	FINANCIAL INTERMEDIARIES	FEE (000)	FEE AS PERCENT OF DEAL
35 ATLANTIC RICHFIELD sells notes and bonds	**$1,000,000**	Offering of $500 million of 10⅝% notes due 1995 and $500 million of 10⅞% debentures due 2005, completed July 10	**Atlantic Richfield** Oil and gas	Salomon Bros.* First Boston	$7,750	.78%
36 BASF acquires INMONT from UNITED TECHNOLOGIES	**$1,000,000** N.A.	Acquisition for cash, August 21	**BASF** Chemicals and natural resources	Morgan Stanley	$4,000[7]	.40%
			Inmont Inks and automotive coatings			
			United Technologies Multi-industry	Salomon Bros.	$4,500	.45%
37 FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$1,000,000**	Offering of 9.85% debentures, due 1989, October 30	**Federal National Mortgage Association**	Various dealers	$1,750	.18%
38 WICKES COS. acquires the Consumer and Industrial Products Group of GULF & WESTERN	**$948,800** 127%	Acquisition for cash and a 5-year option to purchase 10 million Wickes common shares at $6 per share, September 12	**Wickes Cos.** Diversified retailer	Drexel Burnham Lambert	$4,744	.50%
			Gulf & Western Industries Entertainment, publishing, and financial services	Kidder Peabody	N.A.	—
39 CBS repurchases 21.4% of its common stock	**$940,747** 276.8%	Tender offer to exchange cash and notes for 6.365 million shares, July 31	**CBS** Broadcasting	Morgan Stanley	$3,992	.42%
40 CDU ACQUISITION[10] acquires UNIROYAL	**$933,000** 120.7%	Leveraged buyout for cash, September 24	**CDU Acquisition**	Drexel Burnham Lambert	$5,000	.54%
			Uniroyal Chemicals, rubber and plastic products	Salomon Bros.	$4,000	.43%
41 AMERICAN EXPRESS and FIREMAN'S FUND sell FIREMAN'S FUND common stock	**$906,400** 114.5%	Initial public offering of 35.2 million shares (53.2%), October 23[11]	**American Express** **Fireman's Fund** Insurance	Shearson Lehman Bros.* Salomon Bros.	$47,520	5.24%
42 SUN BANKS merges with TRUST CO. OF GEORGIA	**$899,755**[12] 199.5%	Merger by exchange of common stock to form SunTrust Banks, July 1	**Sun Banks**	Keefe Bruyette & Woods	$1,500	.17%
			Trust Co. of Georgia	Morgan Stanley	$3,000	.33%
43 CHRYSLER sells bonds	**$800,000**	Offering of 12% debentures, due 2015, November 15	**Chrysler** Motor vehicles	Salomon Bros.* First Boston Merrill Lynch Shearson Lehman Bros. Smith Barney	$7,000	.88%
44 SEDGWICK GROUP acquires FRED S. JAMES from TRANSAMERICA	**$787,527** 238.6%	Acquisition for 39% of Sedgwick common stock (29% of voting stock), August 30	**Sedgwick Group** Insurance	N.M. Rothschild & Sons	N.A.	N.A.
			Fred S. James & Co. Insurance			
			Transamerica Multi-industry	Morgan Grenfell & Co.	N.A.	N.A.
45 TAFT BROADCASTING and CBS acquire television and radio stations from GULF BROADCAST	**$760,000** 247.8%	Acquisition for cash, July 31. Taft bought five television and four radio stations, and CBS bought three radio stations.	**Taft Broadcasting**	First Boston	$2,500[7]	.33%
			CBS	None		
			Gulf Broadcast	Goldman Sachs	$5,700[7]	.75%
46 HMI HOLDINGS[13] acquires HOUSEHOLD MERCHANDISING from HOUSEHOLD INTERNATIONAL	**$757,200** 132.8%	Leveraged buyout for cash, notes and 10% of HMI Holdings, December 31[14]	**HMI Holdings**	Donaldson Lufkin Jenrette	N.A.	—
			Household Merchandising Supermarkets, variety, and discount stores			
			Household International Multi-industry	Goldman Sachs	N.A.	—
47 IMPERIAL CHEMICAL INDUSTRIES acquires chemical operations from BEATRICE COS.	**$750,000** 483.9%	Acquisition for cash, March 1	**Imperial Chemical Industries**	Smith Barney Morgan Lewis Githens & Ahn	N.A. N.A.	— —
			Beatrice Cos. Food	Salomon Bros. Lazard Frères	$3,750 $3,750	50% 50%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$750,000**	Offering of 9.5% debentures, due 1989, June 5	**Federal National Mortgage Association**	Various dealers	$1,295	.17%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$750,000**	Offering of 10.125% debentures, due 1992, June 5	**Federal National Mortgage Association**	Various dealers	$1,853	.25%
ROYAL DUTCH/SHELL GROUP acquires 50% of Colombian oil fields from OCCIDENTAL PETROLEUM	**$750,000**[15] N.A.	Acquisition for cash, July 1	**Occidental Petroleum**	N.A.	—	—
			Royal Dutch/Shell Group	None	—	—

[7]Fortune estimate
*Lead manager
N.A. Not available
[10]Group led by Clayton & Dubilier
[11]American Express sold 27.2 million and Fireman's Fund sold eight million. Fireman's Fund was previously wholly owned by American Express.
[12]Valued as if Sun Banks were the buyer
[13]Group led by Donaldson Lufkin & Jenrette
[14]Scheduled closing date
[15]Plus an additional $200 million when production reaches certain levels.

BIGGEST DEALS OF 1985

RANK	VALUE (000) PERCENT OF BOOK VALUE	TRANSACTION	COMPANIES INDUSTRY	FINANCIAL INTERMEDIARIES	FEE (000)	FEE AS PERCENT OF DEAL
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$750,000**	Offering of 9.4% debentures, due 1988, effective September 5	**Federal National Mortgage Association**	Various dealers	$1,050	.14%
ROCKEFELLER CENTER PROPERTIES[14] sells common stock	**$750,000**	Initial public offering of 37.5 million shares, September 12	**Rockefeller Center Properties**	Goldman Sachs* Shearson Lehman Bros.	$46,875	6.25%
FEDERAL NATIONAL MORTGAGE ASSOCIATION sells bonds	**$750,000**	Offering of 10.15% debentures, due 1990, October 2	**Federal National Mortgage Association**	Various dealers	$1,490	.20%

*Lead manager

[14]Holder of convertible mortgage on New York's Rockefeller Center.

Mergers and acquisitions

Debt and equity offerings

EXPLANATORY NOTES

Deals eligible for the list include:

1. U.S. public offerings of securities (except short-term securities) by domestic and foreign corporations issued under a single prospectus or offering circular.
2. Cash tender offers by domestic corporations or by foreign corporations tendering in the U.S., including those of companies buying in their own stock.
3. Mergers or acquisitions in which the buyer and/or seller is a U.S. company or part of one. To be eligible, offerings must be effective in 1985 and tender offers must have expired during the year. Mergers and acquisitions are eligible if legally closed during the year or, when not legally closed, if the prospective buyer has paid a portion of the purchase price in cash during the year.

The list excludes short-term financings, government securities, and financings other than public offerings—such as bank borrowings and private placements.

▸VALUE OF DEAL

Amounts for cash offerings are the total amounts raised; for tenders the total amount paid. All securities issued in acquisitions or mergers are valued at the market price on the date of closing. When two companies merge through an exchange of stock to form a new company, the company whose stockholders received the largest share of the new company is treated as the buyer, and only those shares issued to stockholders of the smaller company are valued.

▸PERCENT OF BOOK VALUE

Book value calculations indicate the price paid (or amount of equity capital raised) per share as a percentage of the shareholders' equity per share of the acquired company or issuer at the end of the last quarter preceding the transaction.

▸TRANSACTION

Dates under this heading are effective dates for offerings, expiration dates for tenders, and closing dates for acquisitions and mergers.

▸FINANCIAL INTERMEDIARIES

For underwritten public offerings, the co-managers are listed and the lead manager is indicated by an asterisk. In the case of acquisitions and mergers, the intermediaries are typically investment banking firms that assisted in the transaction.

▸FEE

The figures represent the amounts charged by the financial intermediaries assisting in the deals. In underwritings, part of the fee is paid to other members of the underwriting syndicate or to dealers other than the co-managers. In mergers and acquisitions, fees paid for financing services are excluded, when possible.